



Status: **legally binding**

Class Ruling

Queensland Department of Families, Seniors, Disability Services and Child Safety – Professional Foster Care Program

❶ Relying on this Ruling

This publication (excluding appendix) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

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What this Ruling is about

1. This Ruling sets out the income tax consequences for volunteer foster carers (Carers) who receive foster care support allowance payments (Support Allowance) from the Queensland Government under the Professional Foster Care Program (Program) administered by the Queensland Department of Families, Seniors, Disability Services and Child Safety (Department).
2. Details of this scheme are set out in paragraphs 8 to 17 of this Ruling.
3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*.

Who this Ruling applies to

4. This Ruling applies to you if you are a Carer who receives the Support Allowance under the Program and you do not carry on a business of foster care.

When this Ruling applies

5. This Ruling applies from 1 April 2026.

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Ruling

6. The Support Allowance received by Carers under the Program is not assessable as ordinary income under section 6-5.

7. The Support Allowance received by Carers under the Program is not assessable as statutory income under section 15-2.

Scheme

8. This description of the scheme is based on information and documentation provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

9. The Department is responsible for administering several child protection services and programs. The Program is being piloted by the Department and aims to enlist up to 100 Carers during the pilot period (from 1 April 2026 to 31 January 2028).

10. The Program is distinct from the broader foster and kinship care services delivered to most children and young people in statutory care. It is designed to transition children and young people with disabilities and complex or extreme support needs away from residential care facilities into home-based care arrangements with Carers affiliated with the Program in order to achieve improved care and outcomes for those individuals.

11. Carers are:

- expected to have a professional background or extensive experience in caring for such children and young people
- expected to take a lead role advocating for, and facilitating access to, services and opportunities for the child or young person in their care, and
- responsible for managing and budgeting care costs to meet the child or young person's needs.

12. The Carers enter into a:

- Foster Care Agreement with a Child Safety Service Centre (a body of the Department) and, if applicable, a Care Service Provider funded by the Department to recruit and support Carers – this agreement governs the type of placements the Carer can provide, and
- Placement Agreement with the Department which includes details of the child or young person placed with the Carer, their family contact arrangements and the nature and frequency of the Department's contact with the Carer.

13. In addition to the existing allowances currently made available by the Department (being, the Base Allowance, the High Support Needs Allowance and the Complex Support Needs Allowance), Carers participating in the Program receive a Support Allowance of up to \$53,762 per annum, paid fortnightly. Total allowances payable to the Carer are capped at \$100,000 per annum, subject to indexation.

14. The costs associated with the provision of quality foster care to meet the complex needs of the children and young people subject to the Program, including greater access to support and training, as required, are anticipated to exceed the existing allowances available to Carers (as referred to in paragraph 13 of this Ruling).

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15. The Support Allowance is intended to assist Carers in meeting the additional costs associated with the provision of foster care to children and young people participating in the Program.

16. Carers are volunteers and are not employees of the Department or any Care Service Provider.

17. It is anticipated by the Department that each Carer would only provide foster care to a single child or young person under the Program due to the intense level of care needed to be provided by the Carer.

Commissioner of Taxation

14 October 2026

Status: **not legally binding**

Appendix – Explanation

❗ *This Explanation is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.*

Support Allowance is not included in assessable income

18. Under Division 6, assessable income consists of both ordinary income and statutory income to the extent the ordinary or statutory income is not exempt income or non-assessable non-exempt income.

19. Section 6-5 includes income according to ordinary concepts (ordinary income) in assessable income. The assessable income of an Australian resident includes the ordinary income they derived directly or indirectly from all sources during the income year (subsection 6-5(2)).

20. In determining if an amount is income according to ordinary concepts, consideration must be given to whether the amount is the product of an income-producing activity. Such an activity could include employment, carrying on a business or rendering services (*Brown v Commissioner of Taxation* [2001] FCA 596).

21. The Carers covered by this Ruling are not employees, are not carrying on a business of foster care and are not paid the Support Allowance for their time or to reward them for any personal services they provide. The Support Allowance therefore does not have the character of income according to ordinary concepts.

22. Statutory income is an amount included in assessable income by a statutory provision (subsection 6-10(2)). A list of the provisions about assessable income which are statutory income is set out in section 10-5, including section 15-2.

23. Subsection 15-2(1) provides that assessable income includes allowances, gratuities, compensation, benefits, bonuses and premiums provided to a taxpayer in respect of, or for or in relation directly or indirectly to, any employment of or services rendered by the taxpayer.

24. Carers are volunteers who are paid the Support Allowance under the Program to help meet the significant costs incurred in providing foster care to a child or young person with complex or extreme support needs. As such, the Support Allowance does not have a sufficiently proximate connection with any employment or services rendered by the Carers to be considered a product or consequence of such activities. Accordingly, the payments cannot be said to have been provided in respect of, or for or in relation to, such activities and are not assessable income under section 15-2 (*Smith v Commissioner of Taxation* [1987] HCA 48).

25. Taxation Determination TD 2006/62 *Income tax: are certain payments to a volunteer foster carer to provide foster care assessable income?* provides that payments to a volunteer foster carer to provide foster care under a scheme which has the features described in paragraph 2 of TD 2006/62 are not assessable income. The features of the Program are consistent with those of the scheme to which TD 2006/62 applies.

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References

Related rulings and determinations:

TD 2006/62

- ITAA 1997 15-2(1)

Legislative references:

- ITAA 1997 Div 6
- ITAA 1997 6-5
- ITAA 1997 6-5(2)
- ITAA 1997 6-10(2)
- ITAA 1997 10-5
- ITAA 1997 15-2

Cases relied on:

- Brown v Commissioner of Taxation [2001] FCA 596; 2001 ATC 4294; 47 ATR 178; (2001) 187 ALR 714
- Smith v Commissioner of Taxation [1987] HCA 48; 164 CLR 513; 87 ATC 4883; 19 ATR 274; (1987) 74 ALR 411

ATO references

NO: 1-1C1W83CL

ISSN: 2205-5517

BSL: PW

ATOlaw topic: Income tax ~~ Assessable income ~~ Other types of income ~~ Government payments

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